



## **North Dakota Public Employees Retirement System (NDPERS)**

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This publication contains information for enrolling in the NDPERS Plans administered by NDPERS.

This publication is intended to provide general information and may not be considered to be a legal interpretation of law. Statements contained in this publication do not supersede the North Dakota Century Code or Administrative Code or restrict the authority granted to the Retirement Board.

The information in this publication is subject to changes made by the North Dakota legislature, by the Board of the North Dakota Public Employees Retirement System (NDPERS), and its agents.

# DEFINED CONTRIBUTION PLAN



In the defined contribution plan, an account is established on your behalf and contributions are made to the account by you and your employer. Upon an employee's retirement or termination the total amount or value of your account is available for payment. The amount of your benefit will be affected by the investments you select, the amount of time you have to invest, your vesting status, and the performance of the investment options you choose.

## Contributions

Retirement Plan	Employee Contribution	Employer Contribution
Main	5.00%	5.12%
National Guard	4.00%	6.50%

## Vesting

The term "vesting" refers to your non-forfeitable right to the money in your account. You are always fully vested in the employee contributions, even if your employer has paid them. You will vest in the employer contributions in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 2 years	0%
2 years	50%
3 years	75%
4 years	100%

For purposes of vesting, you will be credited for years of service earned as a participant in the Defined Benefit Hybrid Plan at the time of transfer. However, if you terminate employment with the State, are paid a distribution from the Defined Contribution Plan, and are later reemployed by the State, your years of service upon reemployment will be zero (i.e., your prior years of service will not count toward vesting).

## **Distribution of Benefits**

A distribution of your account can only be made if you request distribution due to your termination of employment, retirement or disability retirement from your employer or upon your death. You are eligible to request a distribution of your vested account balance upon the occurrence of any of the following events:

### **Termination of Employment**

Termination of employment means a severance of employment and being off the payroll of a participating employer for a minimum of at least one month. Termination of employment does not include an approved leave of absence. If you terminate your eligible employment, you may elect to receive a distribution of your vested account balance from the Plan after being off the payroll for 31 days.

If your vested account balance is less than \$1,000, the entire amount will be automatically distributed to you unless you request in writing within 120 days after termination that the vested account balance remain in the Plan.

If your vested account balance exceeds, or at the time of any prior distribution exceeded \$1,000, or you request that your account remain in the Plan, you may delay your distribution until you are required by law to receive minimum required distributions (MRD). You will have a continuing election to request a distribution if you elect to postpone your distribution unless you are reemployed in eligible employment with a participating employer. The value of your account balance will continue to experience gains and losses based on your investment returns.

### **Death**

If you die before any or all benefits are paid to you, then your designated beneficiary(ies) will be entitled to receive your vested account balance. If you are married and want to designate someone other than or in addition to your spouse as your primary beneficiary, your spouse must consent to this designation by signing the form.

### **Disability**

If you become totally and permanently disabled while you are employed by the State, you are eligible to receive a distribution of your vested account balance. Whether you are totally and permanently disabled shall be determined by procedures established by the Board.

## **Distribution Options**

### **Lump sum distributions**

If you elect this option, your entire vested account balance will be paid to you as a lump-sum distribution. You may elect to roll this lump-sum distribution into another eligible employer plan or traditional IRA.

### **Periodic distributions**

If you elect this option, your vested account balance will be paid to you in monthly, quarterly, semiannual or annual periodic payments until your account is exhausted.

# RETIREE HEALTH INSURANCE CREDIT



## **Eligibility**

If you elect and receive a retirement allowance from the Defined Benefit Hybrid Plan or the Defined Contribution Plan, you are eligible to receive a credit towards your monthly health insurance premium for the state health plan equal to \$5.00 for each of your years of credited service, subject to early retirement reductions. For example, a member with 20 years of service at normal retirement age would receive a monthly credit of \$100.00, which is a tax-free benefit. A receiving member is eligible for coverage under the state health plan [Blue Cross Blue Shield Dakota Plan and Dakota Retiree Plan] even if the employer is not participating in the state health plan prior to the member's retirement if the member is enrolled during eligible "qualifying events".

## **Contributions**

Employer Contribution: 1.14% of covered payroll

**Benefit Formula** \$5.00 x Years of Credited Service

## **BENEFITS AT RETIREMENT**

**Retiree Health Credit Options:** Single Life  
Joint & Survivor 50% & 100%